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Executive Registry

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Management Officer

Assistant Director, Reports and Estimates

31 JUL 1950

Realignment of Certain Agency Functions

1. The Office of Reports and Estimates concurs in the principles and objectives set forth in the Management Officer's memorandum of 3 July 1950, believing that the realignment proposed therein will greatly facilitate the accomplishment of CIA's production and collection mission.

2. ORE believes that the most urgent need in the collection of information is the establishment of a CIA system for the collection of overt information abroad and feels that OO is the logical component of CIA to assume this responsibility. Several uncoordinated efforts, namely [redacted] and the Department of State's peripheral reporting system now being established (in which ORE has been asked informally to participate) all should logically be integrated in such an activity. The degree to which OO expands its responsibilities for collection will have an important bearing on the way in which the OSI-ORE requirements problem is handled, and details concerning the requirements operation can be worked out in conjunction with OSI and OO after a decision has been reached on the collection problem.

3. ORE has need for rapid and efficient dissemination service, but feels that any one of several systems of dissemination might work equally well. ORE therefore has no objection to any reasonable solution. There is attached an extract from [redacted]'s Strategic Intelligence containing his views on the subject of collection and dissemination which we recommend for your consideration.

4. ORE has been receiving considerable value from its Presentation Branch and feels that the presentation operation has been well run. There is considerable logic, however, in placing the operation in OO, and ORE has no objection if it is felt that this would benefit the agency as a whole.

5. ORE has asked the Office of Operations for its comments on the transfer [redacted] ORE. It is believed that this would be of material benefit to CIA in the fulfillment of its responsibilities for the support of the Government's psychological warfare effort.

/s/ THEODORE BABBITT

Attachment

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11 July 1950

Management Officer

Assistant Director for Operations

Realignment of Certain Agency Functions

- Ref. (a) Management memorandum of 3 July 1950, subject as above
(b) COAPS memorandum of 19 July 1950, subject as above
(c) OCD memorandum of 21 July 1950 - subject: Realignment of Liaison Functions
(d) ORE memorandum of 25 July 1950 - subject: Presentation Function of ORE

1. After a study of the referenced memoranda, the Office of Operations is of the opinion that the general realignment of agency functions as envisaged in Reference (a) is inadvisable unless more conclusive evidence, than has come to light so far, can be found to prove that the changes would be to the benefit of CIA as a whole.

2. At present, there is a flying saucer known as WEC 50 orbiting between the Pentagon and "Peggy Bottom" which may come to rest on our campus and cause a major reorganization of CIA. The Department of State has recently written a memorandum referring to recommendations of the Dulles Committee which, if implemented, would create internal changes in CIA. At least twice a week the press tells us that our Director is due for sea duty and, if this happens, the chances are four out of five that his replacement will reorganize CIA if for no other reason than to be able to tell the press that things are going to be different now.

3. Reorganization is an old established American custom, particularly in Government. During the war I went through at least eight of these and, in each case, watched valuable time lost in the resulting confusion until the individual slots in the little boxes on the charts found that they were still doing business with the same people as before, though possibly wearing a new hat, and, having regained confidence, continued as they had in the past. I feel that the building of an Intelligence Agency is basically dependent on personnel and the confidence they can build up in themselves and in those of other agencies with whom they work. Constant reorganization destroys confidence and creates discontent which causes transfers to other parts of the agency, resulting in an over-all loss to CIA.

4. No Office in CIA is perfect - far from it. We are all open to criticism and should welcome it. I received a good, healthy criticism from Management just recently, concurred in by OMT and ORE, and I believe the majority of the items can be taken care of without even thinking about a reorganization. In summation, I agree with that part of Reference (b), para. 5, which begins "let's stop reorganizing CIA for twelve consecutive months."

5. To be more specific, the following comments are offered on the various recommendations of Reference (a):

- a. Paragraphs (a) and (f) suggest changing the titles of OO and OCD. We have spent three years educating ourselves and the IAC where to go in CIA to accomplish the desired results. To change the titles at this critical

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time would cause irreconcilable confusion. Also, COAPS comment, Reference (b), para. 3, which points out the accentuation of our covert operations, is well taken. It is recommended that no change be made in the present titles.

b. Para. (b) recommends the function of coordination of requirements and assignment of collection from OGD to OHE. From the sidelines I have never been able to tell exactly where OHE requirements end and OGD's begin. Assuming there is considerable overlap, there are always going to be jurisdictional debates and it would seem logical to have a central chief of the combined requirement teams. Reference (c), para. 13 has an excellent solution to this problem along with plenty of good justification which is concurred in by OGD. There has been some criticism of OGD for not following suggestions on allocation of collection action. I see no reason why the Chiefs of the OHE and OGI intra-coordination of requirements branches couldn't work this out with the Chief of the Liaison Division if they work with him on a day-to-day basis as shown in Reference (c), para. 13.

c. Paragraph (c) recommends the transfer of the collection of material from other Government agencies from OGD to OO. South Building is bursting at the seams now so, if such a transfer were made it would create a need for more personnel for OGD as pointed out in Reference (c), para. 2. All of them would have to stay in [] Building which I hear is pretty well crowded. The result would be that the same people who are doing the job now would continue doing it in the same place but with a different hat on. I have no reason to believe there would be any improvement, but very good reason that it would be worse, as the operational impairment from physical separation is well established.

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d. Paragraph (d) recommends that the OHE presentation function go to OO. Reference (d) states that there are two functions of this Division:

1. Oral interrogation and Presentation
2. Providing a centralized intelligence graphics operation for CIA and maintaining a Situation Room as required to meet OHE's needs.

OHE believes that it is the first of the two above functions which Management proposes to transfer to OO. Reference (d) further shows that the time of the individuals in carrying out these functions is as follows:

Chief	GS-13	Chief of both functions
Program Officer	GS-12	Full time
Shorthand Reporter	GS-8	About 70% of time
Clerk	GS-4	About 60% of time

I fail to see how the above functions can be separated without the need for additional personnel. Their work is mainly for OHE and with the OHE Division Chiefs. They would have to stay in "A" Building as South is full.

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Para. 2, b of Administrative Instruction [] directs OO to prepare any reports resulting from these interviews that may be required for further dissemination. The date of [] is 20 May 1948. In two years and two months OO has not been called on to prepare a single report. I feel that this function is primarily a service to ONE and should continue under them.

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e. Para. (e) transfers Governmental liaison control and records from OGD to I & S S. I see nothing wrong functionally with this change but I doubt whether there is much spare room in [] street. If this function has to stay physically in [] Building, it might just as well stay under OGD.

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f. OO concurs in the proposed transfer of the function of administrative machine records support from OGD to SSS.

GEORGE C. CANNY

Copies to:

AD/OGD

AD/ORE

AD/OSI

I & S S

COAPS ✓

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